

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:2037
ANSWERED ON:09.03.2001
DETERMINING POVERTY LINE
SAMAR CHOUDHURY;VARKALA RADHAKRISHNAN

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) the criteria and standards for classification has been adopted by the Government for identifying the people on poverty line, with explanation of below the line and above for the purpose of servicing of benefits under the system of public distribution in the country;
- (b) the cut of line between the poor and the poorest;
- (c) whether the purchasing power is on the decline every year in case of every household and whether it has been taken into account for determining poverty line;
- (d) whether the price of rice and wheat in the open market at present is lower than that of Government issue prices;
- (e) whether the food price subsidy to the poor and poorest of the rural and urban would be considered by the Government for review;
- (f) whether the Government considers distribution of foodgrains through fair price shops at the rate of fifty percent lower than that of open market; and
- (g) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI CHAUHAN)

(a),(b)and (c): The identification of poor under Targeted Public Distribution Scheme (TPDS)s done by the States as per State-wise poverty estimates of Planning Commission based on the methodology of the 'Expert Group on estimation of proportion and number of poor' chaired by the Late Prof. Lakdawala. The State-wise poverty estimates have been worked out by the Planning Commission from the national level poverty lines, using state-specific price indices and inter-state price differentials. The poverty line is defined in terms of expenditure per person per month. The national poverty lines are expressed as monthly per capita consumption expenditure of Rs.49.09 in rural areas and Rs. 56.64 in urban areas at 1973-74 prices corresponding to a basket of goods and services anchored on a norm of per capita daily calorie requirement of 2400 kcal in rural areas and 2100 kcal in urban areas. These percentage are applied to the estimated population in order to arrive at the number of persons living below the poverty line. The number of BPL families for TPDS allocations has been worked out on the basis of the poverty estimates of the Planning Commission for the year 1993-94 on the population projections of Registrar General as on 1.3.2000.

The poorest of the poor (Antyodaya families) constitute about 15.33% of the BPL families in the country. States/UTs have been asked to identify these families from amongst the number of BPL families within the State/UT. It has been suggested to the States/UTs to distribute the number of the poorest of poor families amongst districts, panchayat and municipal levels keeping in view the incidence of poverty and backwardness.

(d) No Sir, the present retail open market prices of rice and wheat collected from selected centers indicate that it ranged from Rs. 7.00 to Rs.13.50p per kg. for rice and Rs.6.25 to Rs. 11.00 per kg. for wheat during February, 2001 against the central issue price of Rs.5.65p per kg. of rice and Rs.4.15p per kg. for wheat for BPL families.

(e),(f)and (g): Government is issuing foodgrains to States for BPL category at 50% of economic cost and for APL category at 100% of economic cost or open market sale price of FCI whichever is lower. The foodgrains under antyodaya Anna Yojana Meant for the poorest of the poor families in rural and urban areas is being allocated at highly subsidized prices of Rs.2/- a kg for wheat and Rs.3/- a kg. for rice.